Good morning Mr. Farr, members of the board, and fellow shareholders. My name is Sister Barbara Jennings. I am the coordinator for the Midwest Coalition for Responsible Investment based here in St. Louis.

I am here today on behalf of Walden Asset Management, a division of Boston Trust and Investment Management. Boston Trust holds over 770,000 shares of Emerson Electric stock for clients, which will all be supporting this resolution. Walden represents approximately 50% of these shares. To start, I wish to ask you all a few questions…

Did you know that General Electric, which, like Emerson, is a diversified industrial company, reduced its absolute carbon emissions by 32% compared to a 2004 baseline, far exceeding its goal to reduce emissions 25% by 2015? Did you also know that GE has reduced its recordable injuries and illnesses amongst its workforce by 37% since 2003?

Or, did you know that Parker Hannifin, a company who operates in the same sector as Emerson Electric, yet reported 2014 operating income that was merely half that of our company, has reduced its Greenhouse Gas emissions intensity by 43% since 2004? Also, between 2010 and 2013, Parker Hannifin achieved a 29% reduction in its recordable accident rate?

Now I have to ask, does anyone here know how Emerson Electric is doing on these important environmental and safety performance indicators? Does our company even have a goal to limit emissions or improve safety performance?

As you know, Walden is the primary sponsors of the resolution on page 53 of the proxy, and is joined by more than 25 other co-filers in requesting Emerson Electric to publish a sustainability report highlighting the work the company is doing to manage its environmental, social, and governance (hereafter referred to as ESG) risks and opportunities.
The second line in the Board’s statement of opposition indicates that the Board “requires that Emerson’s wide range of environmental stewardship and community actions [be] disclosed” and indeed, Emerson does have a section on its website about “Corporate Citizenship.” However, when judged in comparison to industry peers like General Electric and Parker Hannifin—it is clear that the company’s disclosure is falling short of providing investors with useful information.

For example, Emerson’s current disclosures do not provide shareholders with meaningful metrics. Nor does it have any quantitative or time-based goals with which to guide future actions. Instead, Emerson’s corporate citizenship disclosures are mainly anecdotal and largely focused on the environmental benefits of the company’s products.

Walden Asset Management agrees that Emerson’s products provide climate change and energy efficiency solutions. However, this focus on products leaves many questions unanswered about our company’s operations and supply chain management.

Disclosure on policies, programs, metrics, and goals related to greenhouse gas emissions management, employee safety, workforce diversity, water management, and waste management are examples of the type of information desired for the report that the shareholder proponents are requesting.

The data we request is useful and will benefit the firm and its shareholders.

Evan Harvey, the Director of Corporate Responsibility at NASDAQ once said “if you are running your business today and you don’t have a firm grip on how your supply chain works, or the resource picture long term for your company, or how energy costs going up by 1/3rd by 2030 are going to affect your operations, then that is just bad management. If you don’t disclose it that’s one thing, however if you do not have the information on hand, it is an entirely different indicator.”

Better, broader data make for more efficient decision making by all employees. If managers and our directors do not have access to timely information with which to understand the full impacts of their decisions, they may be prone to sub-optimal choices.
According to Ernst & Young: “Sustainability reporting requires companies to gather information about processes and impacts that they may not have measured before. This new data, … can provide firms with knowledge necessary to reduce their use of natural resources, increase efficiency and improve their operational performance. In addition, sustainability reporting can prepare firms to avoid or mitigate environmental and social risks that might have material financial impacts on their business while delivering better business, social, environmental and financial value. [Therefore,] creating a virtuous circle.”

It is also interesting to note that several studies link transparency on ESG matters to favorable business and financial metrics as well as improved intangible assets such as reputation and public trust. Over the years, academics have found evidence suggesting the ESG transparency is highly correlated with

- Higher cash flows
- Better return on assets
- More sustainable returns on capital
- And better access to capital, to name a few.

According to the consulting group SustainAbility: “Without transparency, unsustainable behaviors are more likely to persist and businesses may erode credibility as well as current and future value.”

In closing, we believe that there is strong evidence that ESG transparency provides a number of business advantages that make it more than worth the costs. We are concerned that Emerson may be missing opportunities that other diversified industrial companies are actively recognizing and lagging its peer group in terms of risk management.

I would now like to turn to my colleague Sister Carmen Schnyder who also has some words in support of this resolution.

Thank you.